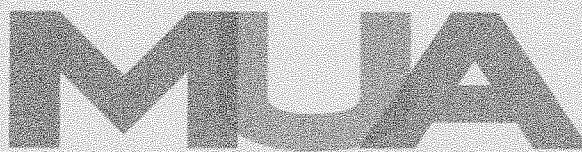




MUA/RASA/EXAM/QP/2013

The
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UNDERGRADUATE UNIVERSITY EXAMINATIONS -APRIL 2013

SCHOOL OF MANAGEMENT AND LEADERSHIP

DEGREE OF BACHELOR OF MANAGEMENT AND LEADERSHIP

BML 106: FUNDAMENTALS OF MARKETING

DATE: 22ND APRIL 2013

DURATION: 2 HOURS

MAXIMUM MARKS: 70

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **six (6)** questions.
4. Question **ONE** is compulsory .
5. Answer any other **THREE** questions.
6. Question one carries **25 MARKS** and the rest carry **15 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided**

QUESTION ONE

Read the case below and answer questions a, b, and c that follow

HARLEY-DAVIDSON INC.

In November 2011, US-based iconic motorcycle maker Harley-Davidson Inc. (Harley), as part of its new customer-led marketing strategy, launched a new application 'Fan Machine' on Facebook that allowed Harley fans to submit new advertising ideas directly to the company. The idea behind this initiative was to give the brand's loyal fans a platform to share their ideas and guide the creative direction of the brand. Harley said that after selecting and rewarding the best ideas, it would bring these ideas to life with the help of marketing experts. According to Mark-Hans Richer (Richer), Senior Vice President and Chief Marketing Officer of Harley, "This is not a publicity stunt, or a limited time engagement. We're committed to crowd sourcing, because these ideas naturally flow from our passionate fans. As the true stewards of our brand, our fans now have a huge new platform to share their ideas. It works for us because their passion for our brand is second-to-none.... Facebook also proves this passion is passing along to the next generation, where 40 percent of our fans are between the ages of 18 and 34."

Harley manufactured heavyweight touring, cruiser, custom, and performance motorcycles besides offering a complete line of motorcycle parts, accessories, riding gear and apparel, and general merchandise. Harley bikes had established an image of raw power which had become their unique selling proposition. According to experts, Harley was able to carve out a niche for itself in the marketplace due to its powerful brand image which was built on deep personal relationships with customers and matchless riding experiences. The company had historically adopted a focused differentiation strategy. Harley's marketing strategy centered on company-sponsored events, dealer promotions, and advertising in magazines. The brand had achieved a cult status among its loyal customers as it characterized adventure, tradition, and power.

In early 2008, the company reported a drop in sales due to the global economic recession and its aging core customer base which basically comprised men over the age of 35. Since the early

1990s, the median age of a Harley rider had risen consistently from 38 to 47. Experts said that as the baby boomers, who had transformed Harley into an American icon were aging, they were less likely to ride a motorcycle.

REQUIRED:

- a) Explain the marketing strategy used by Harley – Davidson. (7 Marks)
- b) Describe **five** effects the marketing environment had on Harley – Davidson. (10 Marks)
- c) Discuss **four** challenges faced by a brand like the Harley – Davidson motorcycle in attracting new customers. (8 marks)

QUESTION TWO

- a) Identify the **seven** stages of the marketing research process? (7 Marks)
- b) Discuss **four** key activities performed in a marketing channel. (8 Marks)

QUESTION THREE

As a child grows up, so does a product. Discuss this in relation to a product life cycle and show the strategies adopted at each stage (15 Marks)

QUESTION FOUR

- a) Explain the defining nature of marketing and its contribution to the survival of organizations (10 Marks)
- b) Suggest **five** ways in which a fruit juice company may segment its market using demographic variables. (5 Marks)

QUESTION FIVE

Discuss the stages you went through when making the decision to join The Management University of Africa. (15 Marks)

QUESTION SIX

- a) Highlight briefly **five** benefits of branding in service marketing. (5Marks)
- b) Using examples, discuss **four** factors influencing pricing in the transport sector. (10 Marks)

